

FACT SHEET

CALIFORNIA STATE DISABILITY INSURANCE (SDI)

California SDI provides two partial wage replacement insurance programs; the Disability Insurance (DI) program and the Paid Family Leave (PFL) program. These partial wage replacement insurance programs are managed by the Employment Development Department (EDD) and are funded completely by employee paid payroll tax deductions. Both programs are provided under the employees funded SDI however, the employer is required to file quarterly wage-earning reports and to remit the employee contributions directly to EDD. The SDI withholding rate for 2019 is 1.0 percent. The SDI taxable wage limit is \$118,371 per employee for calendar year 2019. The maximum to withhold for each employee is \$1,183.71

DISABILITY INSURANCE (DI)

Disability insurance provides partial wage replacement benefits to eligible California workers who are unable to work due to a non-work-related illness, injury, or pregnancy.

DI benefits are payable for a maximum of 52 weeks. For claims beginning on or after January 1, 2019, weekly benefits range from \$50 to a maximum of \$1,252. The weekly benefit amount (WBA) is approximately 60 to 70 percent (depending on income) of wages earned 5 to 18 months prior to the claim start date. The first seven days of the DI claim is a non-payable waiting period.

PAID FAMILY LEAVE (PFL)

Paid Family Leave provides benefits to individuals who need to take time off work to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner. Benefits are also available to new parents who need time to bond with a new child entering their life either by birth, adoption, or foster care placement.

PFL provides up to 6 weeks of partial pay to employees who take time off from work to care for a seriously ill family member (child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner) or to bond with a new child entering the family through birth, adoption, or foster care placement.

If eligible, an employee can receive approximately 60 to 70 percent (depending on income) of wages earned 5 to 18 months prior to your claim start date (maximum wage replacement rate is \$1,252 per week) for up to six weeks within any 12-month period. PFL does not have a waiting period for benefits.

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DISABILITY INSURANCE & PAID FAMILY LEAVE FURTHER EXPLAINED

DOES DI and PFL PROVIDE JOB PROTECTION?

DI and PFL does not provide job protection, only monetary benefits; however, an employee's job may be protected through other federal or state laws such as the Family and Medical Leave Act (FMLA) or the California Family Rights Act (CFRA).

WHEN CAN A MEMBER FILE A CLAIM?

SDI tax deductions start at the beginning of a quarter (January 1, April 1, July 1, or October 1). In order to build a reserve of funds, members are required to contribute for two full quarters (six months) before they will be able to submit an application for benefits.

IS THERE A WAITING PERIOD TO RECEIVE DI AND PFL BENEFIT?

Yes, since every claim for DI has a seven-day, non-payable waiting period, you must have a disability for at least eight calendar days to collect benefits.

DOES THE CITY COORDINATE DI AND PFL BENEFITS WITH ACCRUALS?

Yes, the City would coordinate the employee's annual and sick leave accruals along with SDI programs, Long-Term Disability (LTD), and/or any other Short-Term Disability (STD) coverage through a voluntary plan.

Currently an employee who takes time-off under a protected leave such as FMLA, CFRA, Pregnancy Disability Leave (PDL), is required to use their accruals in coordination with the City's LTD or voluntary STD plan. Implementing SDI would become the default wage replacement plan and then supplemented by the employee's annual/sick leave accruals, LTD, and STD voluntary plan.

Following is a table to illustrate the current options for wage replacement while on an approved leave of absence and in comparison, to wage replacement options with SDI programs:

| | DI/PFL | STD – American Fidelity | LTD – Reliance |
|------------------------------------|---|---|--|
| Coverage starts | Day 8 - After being unable to do your regular work for at least eight consecutive days. There is no waiting period for PFL. | Day 8- After being unable to do your regular work for at least eight consecutive days. | Day 91 - After being unable to do your regular worked for at least 90 consecutive days. |
| Employee Cost | 1.0% up to \$1,183.71 (2019) Paid via payroll deduction. | Varies by demographic status. If elected, employee is responsible for cost. | Employer paid – no cost to employee |
| Percentage wage replacement | 60%-70% | 60% | 60% |
| Waiting Period | 7 Days | 7 days | 90 days |

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| | DI/PFL | STD – American Fidelity | LTD – Reliance |
|--|---------------|--------------------------------|-----------------------|
| Max Duration of Coverage | 52 weeks | 90 days | Varies |
| Use of Sick/Annual Leave Accruals | Yes* | Yes* | Yes* |
| Can I use for care of a family member? | Yes | No | No |
| Can I use for care of a family member and baby bonding? | Yes | No | No |

**Wage replacement programs including the use of sick/annual leave accruals may not exceed 100% of employee's earnings.*

American Fidelity STD monthly cost is based on EE's monthly income and it is post tax deduction.